



Report to the Auburn City Council

Action Item
Agenda Item No. 15
City Manager Approval

To: Mayor and City Council Members
From: Jack Warren, Director of Public Works *gw*
Bernie Schroeder, Engineering Division Manager *BS*
Date: January 26, 2009
Subject: East Lincoln Way Sidewalk Project – Cost Overrun

The Issue

Significant cost overruns are being incurred by the City as a result of unanticipated construction activities associated with the East Lincoln Way Sidewalk Project. This additional work will result in a Contract Change Order in order to complete the project.

Conclusion and Recommendation

Staff recommends by MOTION, to approve in concept a contract change order to Western Engineering Construction to completion of the East Lincoln Way Sidewalk Project in an amount not to exceed \$100,000. Funding for this extra work is proposed to come from within the Transportation Fund as described in the Fiscal Impact Section of this report.

Background

On August 11, 2008 the City Council awarded Western Engineering out of Loomis a contract for the Construction of the East Lincoln Way Sidewalk Project for an amount not to exceed \$483,501.75. Construction began in September 2008 and is now entering completion anticipated by mid February. There have been issues relating to under estimated quantities of earthwork excavation, engineering design constraints and unanticipated utility conflicts that have lead to cost overruns that are approaching an estimated \$100,000.00. In an attempt to avoid complete stop work staff has been working with the contractor to minimize the increase in costs and better define the design modifications as we continue to progress within the given project budget. At this point it is clear we are going to exceed the originally authorized construction amount and will need additional funds to be allocated. A final contract amount has not been determined because the contract change order work being proposed is based on actual time and materials necessary to complete the work not a lump sum amount.

Additional Information

Pursuant to the City of Auburn Public Works Cost Accounting Ordinance any costs that exceed 10% of the original bid amount must be authorized before any additional work is conducted. Portions of the additional work causing this cost overrun have been done prior to or concurrent with the proposed change order request. The nature of construction and timely completion of the

project has lead to this necessity. The project was continued in good faith by the contractor and the additional work was unavoidable.

Alternatives Available to Council; Implications of Alternatives

1. Proceed with Staff Recommendation
2. Do not proceed with staff recommendation and curtail completion of the project.

Fiscal Impact

This project was funded with a State of California Safe Routes to School Grant for \$419,000. The original authorized contract amount was not to exceed \$483,501. With the proposed contract change order the final contract amount is to not exceed \$583,501. Staff has contacted the State in pursuit of additional grant funds but with the current state financial situation do not anticipate this to occur. If additional state funds are unavailable, staff is proposing utilizing funds originally designated for other capital projects within the Transportation Fund Budget. Specifically, The Diary Road Plan Line Project (\$20,000), the Downtown Storm drain Project (\$50,000), and a portion of the funding from the Sidewalk Repair Project (\$30,000.00). A final contract amount and contract change order will be included with the Notice of Completion on this project in late February 2009.